



INTERIM REPORT

1ST QUARTER 2024

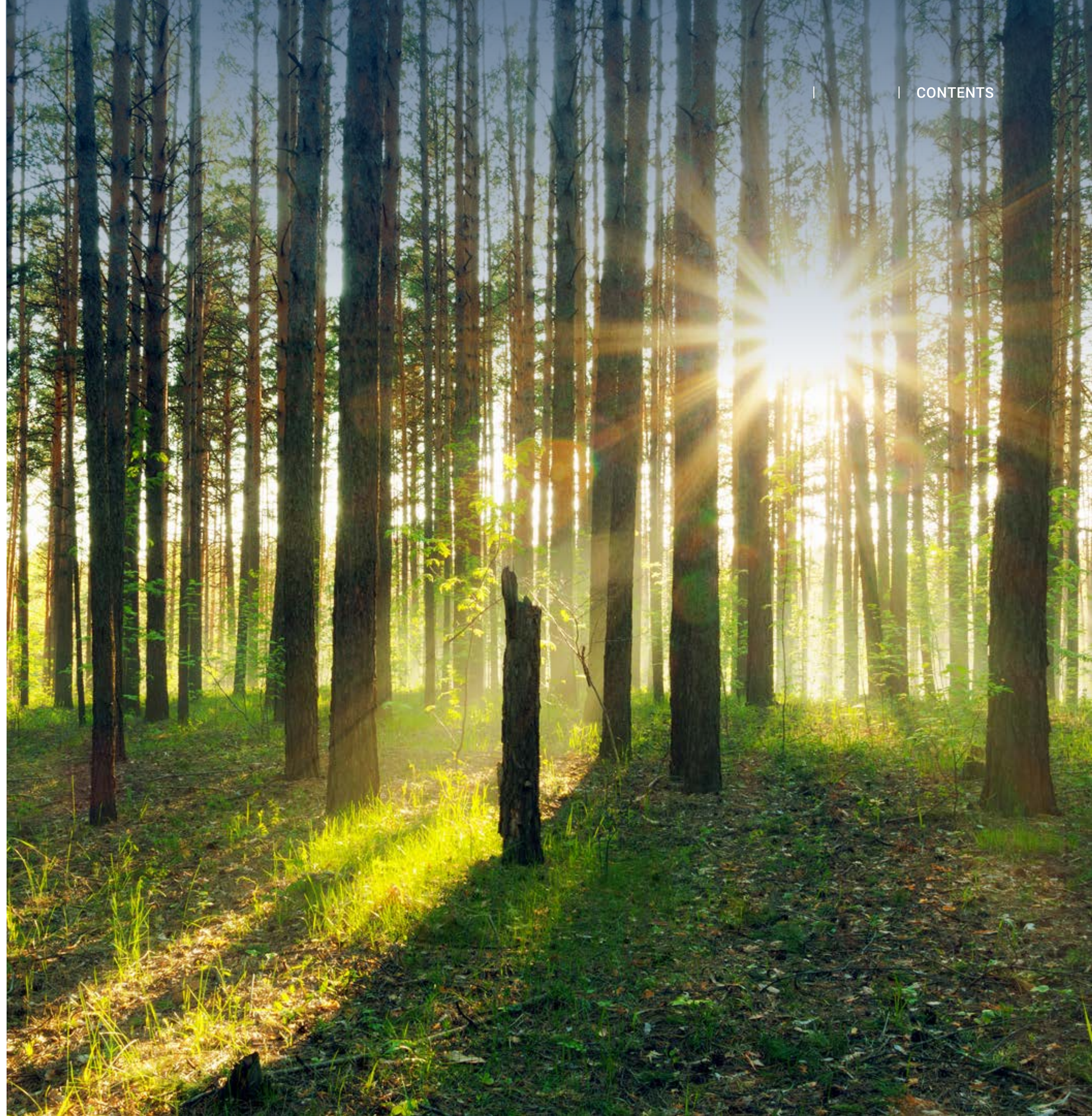


1ST QUARTER IN BRIEF

- EBITDA¹ NOK 442 million (NOK 435 million)²
- Increased result and sales volume in BioSolutions
- Higher sales volume and reduced sales prices in BioMaterials
- Lower result in Fine Chemicals with low deliveries of bioethanol
- Reduced costs for energy and chemicals partly offset by increased wood costs
- Slightly negative net currency effects
- Cash flow impacted by high deliveries towards the end of the quarter

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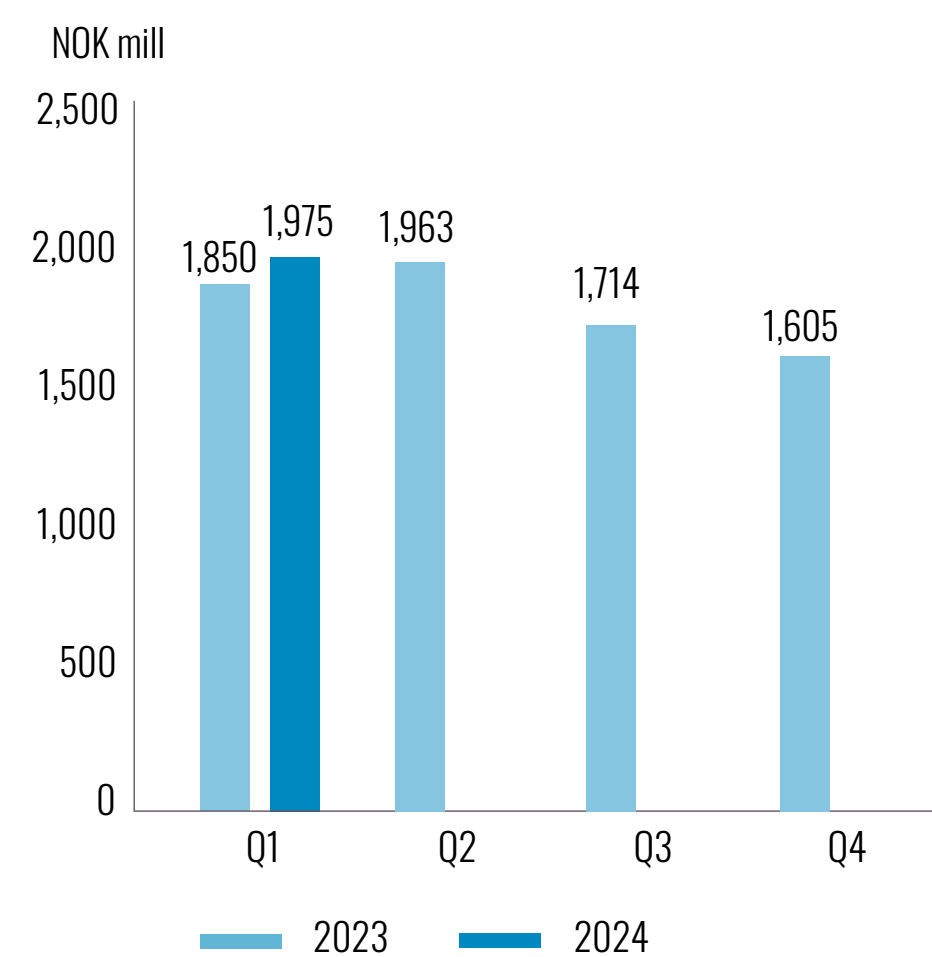
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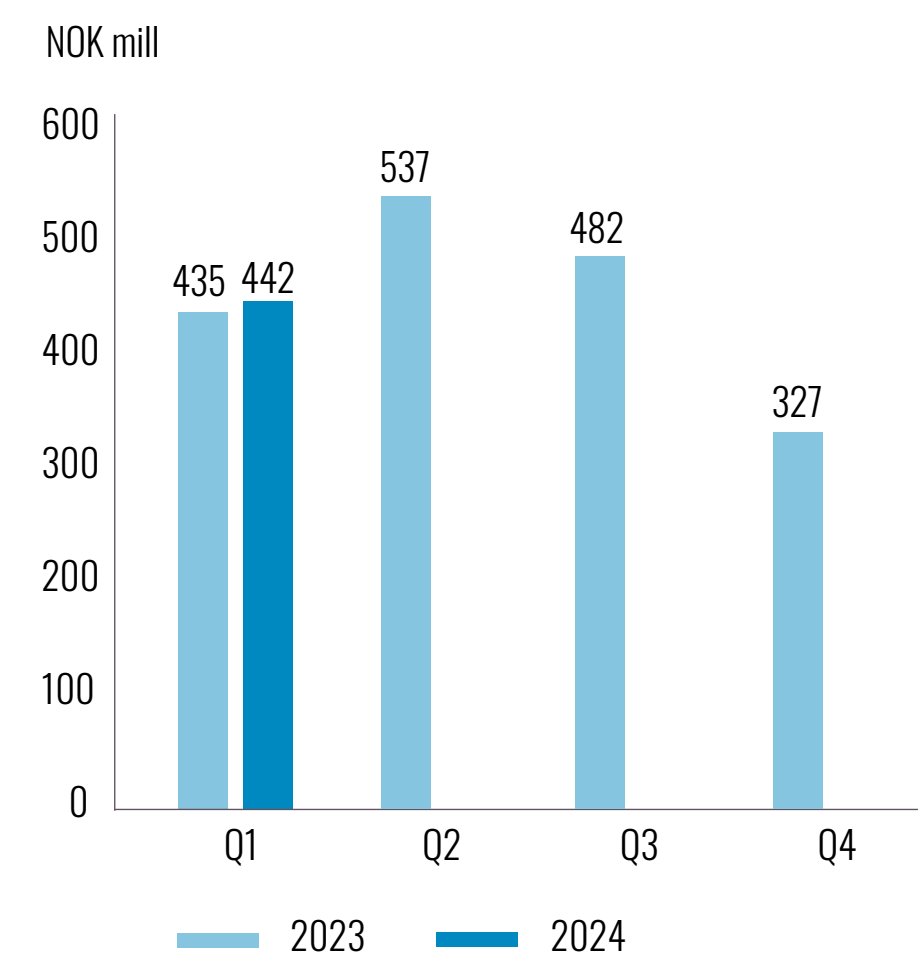
THE GROUP

Amounts in NOK million	Note	2024	1.1 - 31.3	2023	1.1 - 31.12
Operating revenues	2	1,975	1,850	1,850	7,132
EBITDA ¹		442	435	435	1,781
Operating profit		308	320	320	1,291
Profit/loss before taxes	2	261	292	292	1,124
Earnings per share (NOK)		2.01	2.32	2.32	8.73
Net interest-bearing debt ¹	10	2,171	1,928	1,928	1,791
Equity ratio ¹ (%)		52.5	51.4	51.4	53.7
Leverage ratio ¹		1.21	1.15	1.15	1.01
Return on capital employed ¹ (%)		17.6	18.0	18.0	18.3

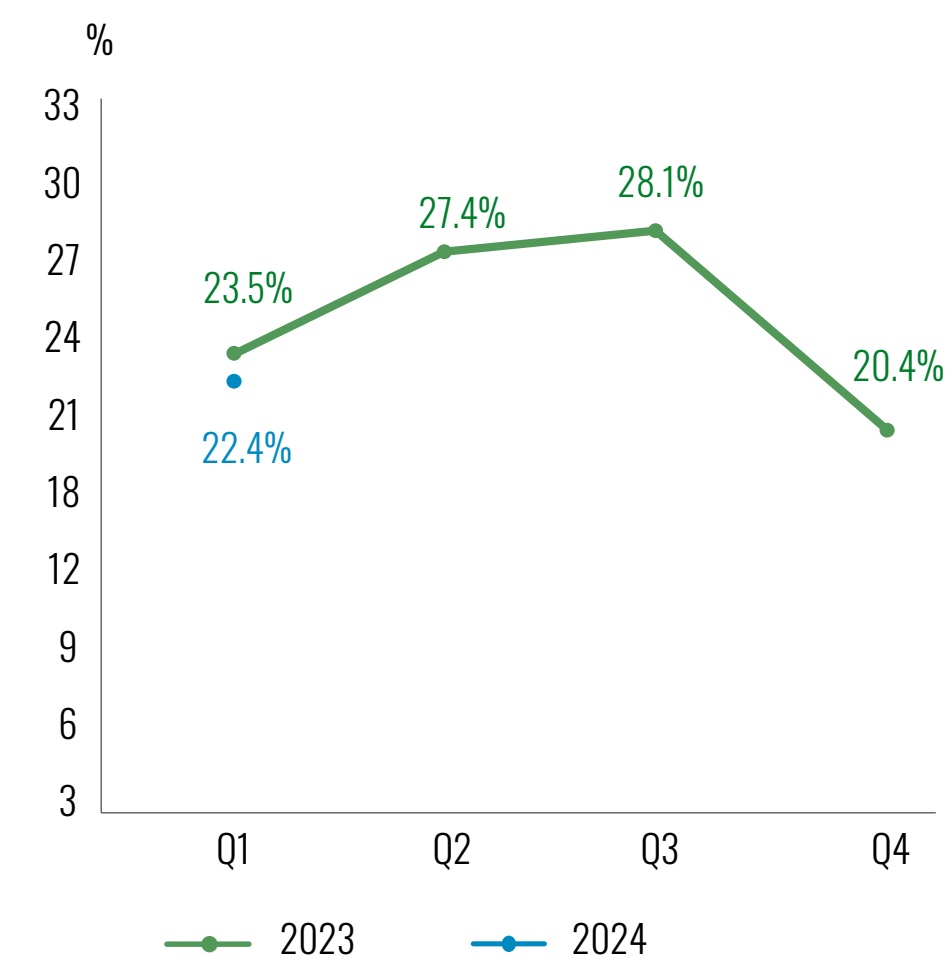
OPERATING REVENUES



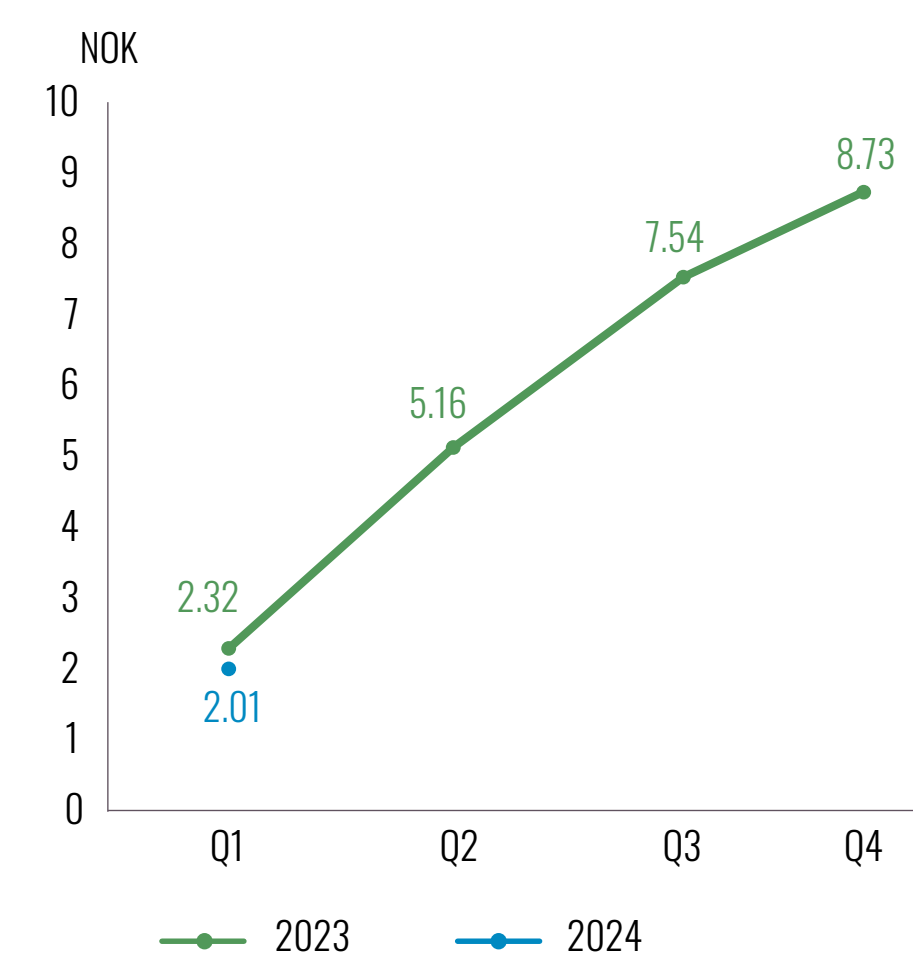
EBITDA¹



EBITDA MARGIN¹



EARNINGS PER SHARE CUMULATIVE



¹ Alternative performance measure, see page 20 for definition.

FIRST QUARTER

Operating revenues reached NOK 1,975 million (NOK 1,850 million)² in the 1st quarter of 2024. EBITDA¹ increased to NOK 442 million (NOK 435 million). The result in BioSolutions increased while results in BioMaterials and Fine Chemicals were lower compared with the 1st quarter of 2023.

The result in BioSolutions increased due to higher sales volume and reduced energy costs. In BioMaterials, higher sales volume was more than offset by lower sales prices and higher wood costs. Fine Chemicals had a lower result due to low bioethanol deliveries and increased costs. The net currency effects were slightly negative for the Group.

Operating profit was NOK 308 million (NOK 320 million). Net financial items were NOK -47 million (NOK -28 million). Profit before tax was NOK 261 million (NOK 292 million). Tax expense of NOK -61 million (NOK -71 million) gave a tax rate of 23% (24%) in the quarter.

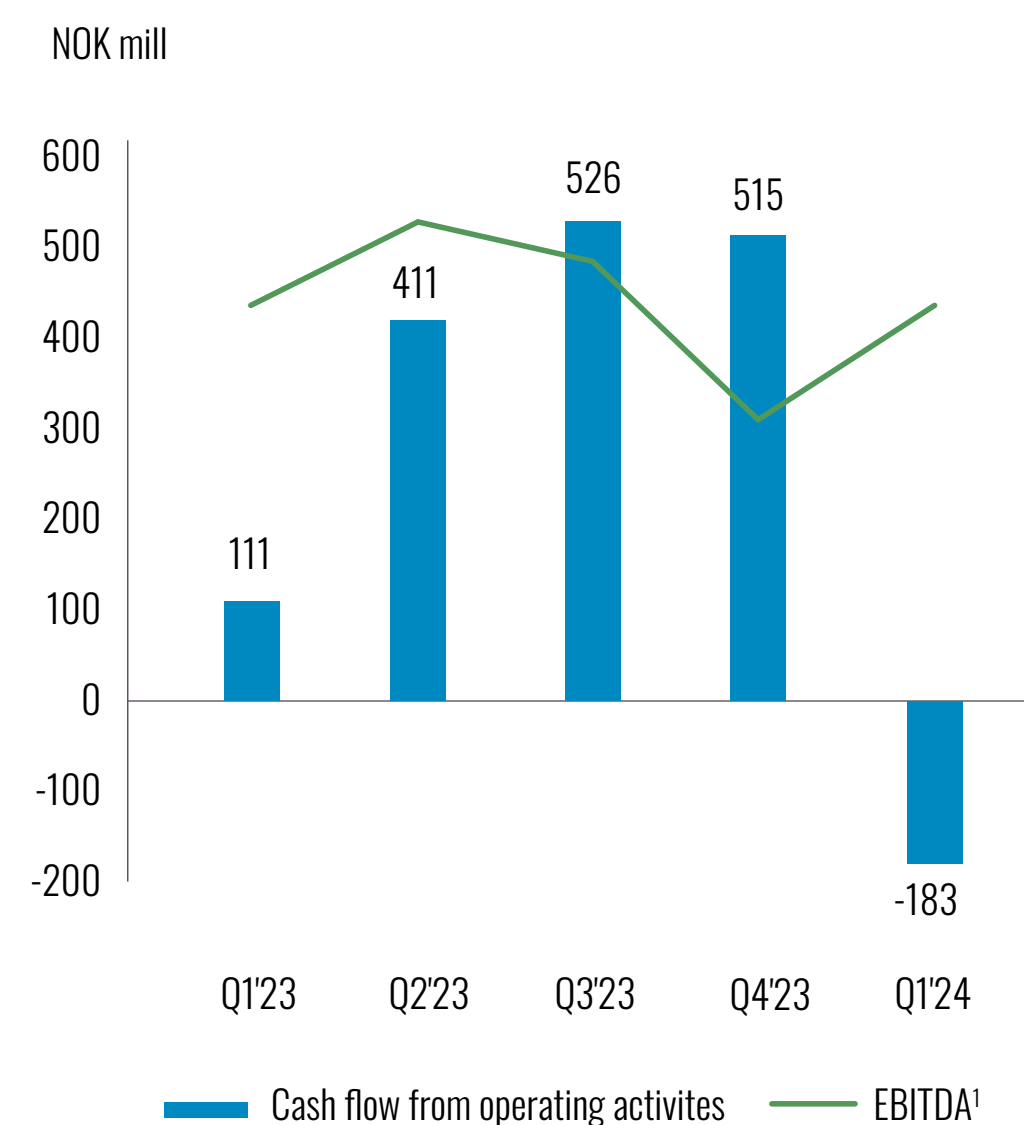
Earnings per share were NOK 2.01 (NOK 2.32).

Cash flow from operating activities was NOK -183 million (NOK 111 million). The cash flow was negatively impacted by a significant increase in net working capital. High deliveries of key products towards the end of the quarter resulted in a high level of accounts receivable compared with a low level at the beginning of the quarter.

¹ Alternative performance measure, see page 20 for definition.

² Figures in parentheses are for the corresponding period in the previous year.

CASH FLOW FROM OPERATING ACTIVITIES



BUSINESS AREAS

BIOSOLUTIONS

Amounts in NOK million	1.1 - 31.3		1.1 - 31.12
	2024	2023	2023
Operating revenues	1,088	995	3,944
EBITDA ¹	264	224	915
EBITDA margin ¹ (%)	24.3	22.5	23.2

FIRST QUARTER

Operating revenues in BioSolutions reached NOK 1,088 million (NOK 995 million). EBITDA¹ increased to NOK 264 million (NOK 224 million).

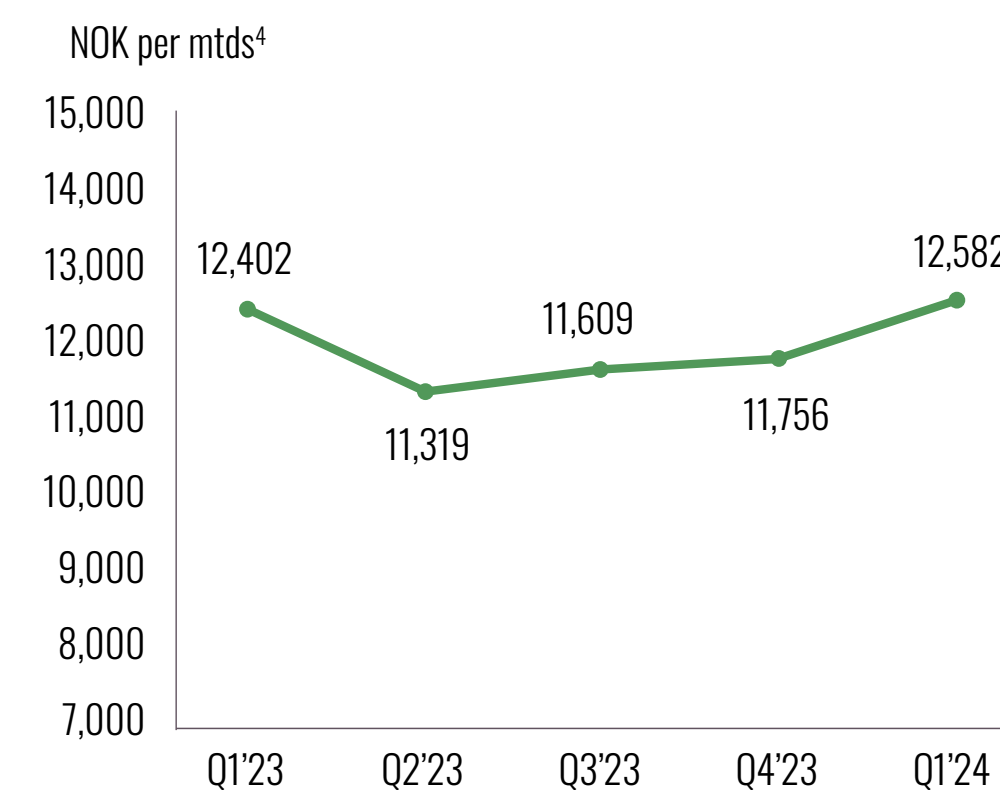
The increased result was due to higher sales volume and reduced energy costs partly offset by cost inflation. The net currency effect was slightly negative.

The total sales volume was 9% higher than in the corresponding quarter in 2023, positively affected by increased sales to agriculture.

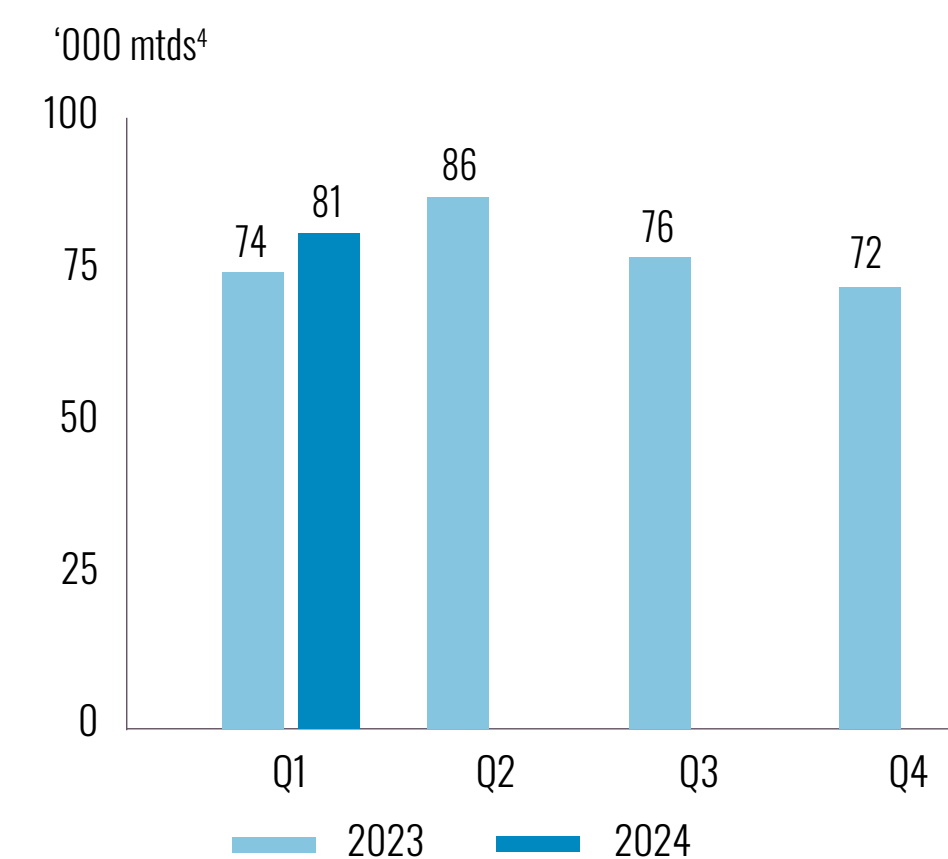
The average price in sales currency was 2% below the same quarter in 2023 mainly due to changes in product mix. The development in sales to agriculture and batteries was strong.

The biovanillin market continued to be impacted by the high global supply of synthetic vanillin products.

AVERAGE GROSS SALES PRICE³



SALES VOLUME



Sales price and sales volume include lignin-based biopolymers and biovanillin.

¹ Alternative performance measure, see page 20 for definition.

² Figures in parentheses are for the corresponding period in the previous year.

³ Average sales price is calculated using actual FX rates, excluding hedging impact.

⁴ Metric tonne dry solid.

BIOMATERIALS

Amounts in NOK million	1.1 - 31.3		1.1 - 31.12
	2024	2023	2023
Operating revenues	704	684	2,439
EBITDA ¹	111	127	534
EBITDA margin ¹ (%)	15.8	18.6	21.9

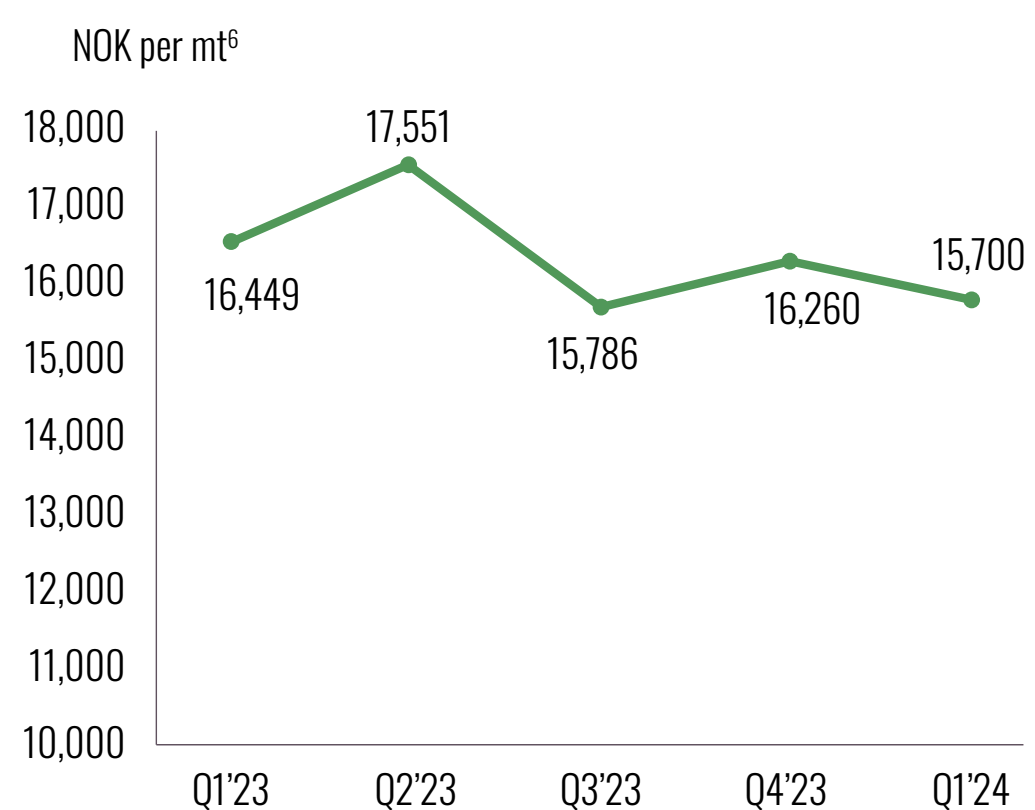
FIRST QUARTER

Operating revenues in BioMaterials increased to NOK 704 million (NOK 684 million). EBITDA¹ was NOK 111 million (NOK 127 million).

Total sales volume and sales of highly specialised grades were higher than in the 1st quarter of 2023 whereas sales prices were lower. Higher wood costs were offset by reduced energy spot prices. The sales volume was higher than the production output in the quarter. Production was lower and energy consumption was higher than normal due to the cold winter. Net currency effects were slightly positive.

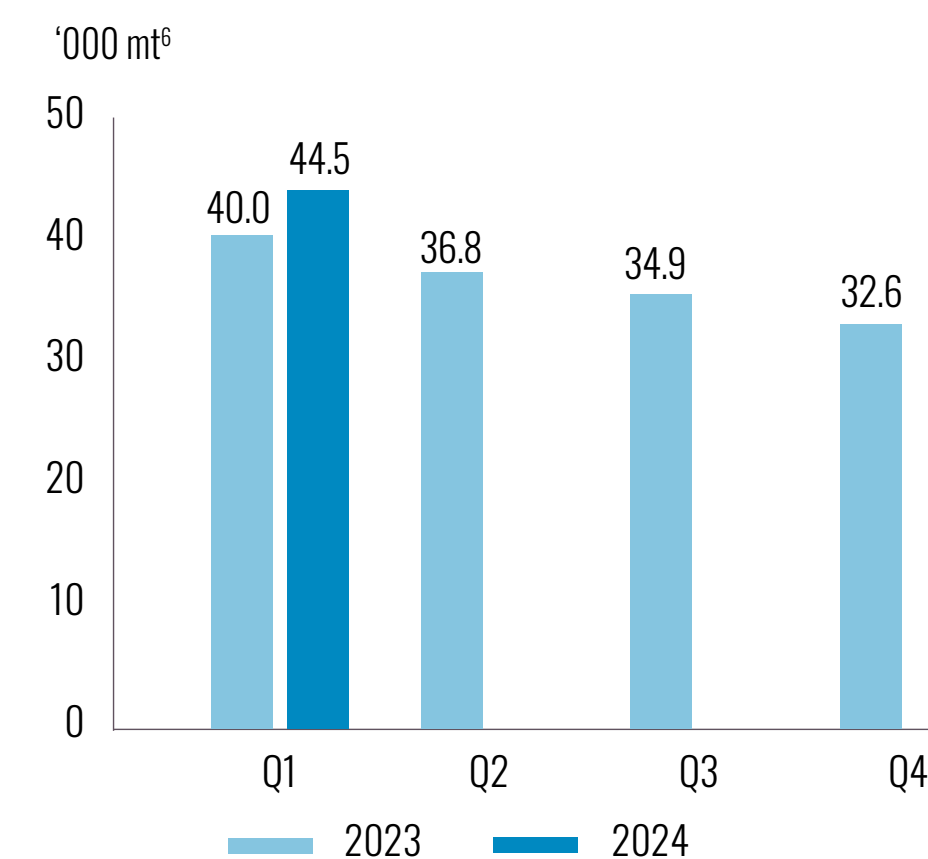
While the average price in sales currency decreased by 8% compared with the 1st quarter of 2023, the average price was largely in line with the 4th quarter of 2023.

AVERAGE GROSS SALES PRICE⁵



Sales price include speciality cellulose and cellulose fibrils.

SALES VOLUME



Sales volume include speciality cellulose and cellulose fibrils

¹ Alternative performance measure, see page 20 for definition.

⁵ Average sales price is calculated using actual FX rates, excluding hedging impact.

⁶ Metric tonne.

FINE CHEMICALS

Amounts in NOK million	1.1 - 31.3		1.1- 31.12
	2024	2023	2023
Operating revenues	192	180	786
EBITDA ¹	67	84	332
EBITDA margin ¹ (%)	34.9	46.7	42.2

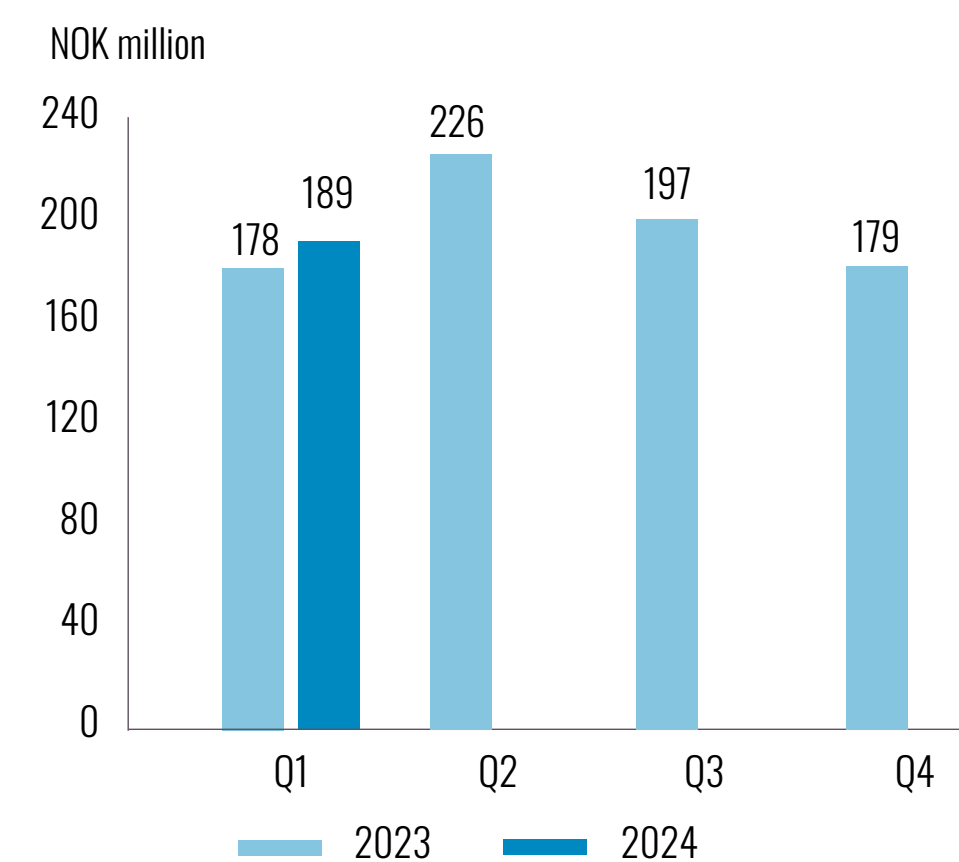
FIRST QUARTER

Fine Chemicals' operating revenues increased to NOK 192 million (NOK 180 million). EBITDA¹ was NOK 67 million (NOK 84 million).

The result for both bioethanol and fine chemical intermediates were reduced compared with the 1st quarter of 2023. For bioethanol the result was impacted by higher costs and low deliveries. Sales prices were stable. For fine chemical intermediates, sales volume increased whereas prices were reduced as a result of price reduction for the main raw material. Other costs increased. The net currency impact was slightly negative in the business area.

¹ Alternative performance measure, see page 20 for definition.

FINE CHEMICALS – SALES REVENUES



Sales revenues include fine chemical intermediates and bioethanol.

FOREIGN EXCHANGE AND HEDGING

Borregaard has a significant currency exposure which is hedged according to the company's hedging strategy. The impact of currency rate fluctuations will be delayed as a result of the currency hedging strategy. Compared with the 1st quarter of 2023, the net impact of foreign exchange on EBITDA¹, including hedging effects, was NOK -5 million. Hedging effects were NOK -89 million (NOK -48 million) in the quarter.

Assuming currency rates as of 23 April 2024 (USD 10.99 and EUR 11.73) and based on currency exposure forecasts, Borregaard expects a net impact of foreign exchange on EBITDA¹ of approximately NOK -25 million in the 2nd quarter of 2024 and NOK -5 million for the full year of 2024, compared with the corresponding periods last year.

CASH FLOW AND FINANCIAL SITUATION

FIRST QUARTER

Cash flow from operating activities in the 1st quarter was NOK -183 million (NOK 111 million). The cash flow was negatively impacted by a significant increase in net working capital. High deliveries of key products towards the end of the quarter resulted in a high level of accounts receivable compared with a low level at the beginning of the quarter. The increase in accounts receivable was partly offset by reduced inventories. Tax payments were high in the quarter.

Total investments amounted to NOK 115 million (NOK 107 million). Replacement investments were NOK 95 million (NOK 87 million), where the largest expenditure was related to the

investment to reduce CO₂ emissions, improve energy efficiency and increase energy flexibility at the biorefinery in Norway. Expansion investments¹ were NOK 20 million (NOK 20 million), where the largest expenditure was related to specialisation projects within BioSolutions.

The Group has sold and repurchased treasury shares with net proceeds of NOK 7 million (NOK 0 million).

Realised effect of hedging of net investments in subsidiaries was NOK -50 million (NOK -58 million).

On 31 March 2024, the Group had net interest-bearing debt¹ totalling NOK 2,171 million (NOK 1,928 million), an increase of NOK 380 million from year-end 2023.

At the end of March, the Group was well capitalised with an equity ratio¹ of 52.5% (51.4%) and a leverage ratio¹ of 1.21 (1.15).

¹Alternative performance measure, see page 20 for definition.

SHARE INFORMATION

In February 2024, 371,000 share options at a strike price of NOK 199.10 were granted under the long-term incentive programme. The options will expire after five years, the vesting period is three years, and the options may be exercised during the last two years. For more details, see notification to the Oslo Stock Exchange on 27 February 2024.

As part of the employee share programme, Borregaard has sold a total of 165,248 shares to employees in February 2024. The

share price was NOK 129.18 per share including a 25% discount. Costs in 2024, including administration costs, related to the employee share programme amounted to approximately NOK 8 million. For more details, see notifications to the Oslo Stock Exchange on 5, 12 and 29 February 2024

In the 1st quarter of 2024, Borregaard repurchased a total of 152,473 treasury shares at an average price of NOK 182.02.

During the 1st quarter, 56,550 share options were exercised at a strike price of NOK 67.05 per share and 106,900 share options were exercised at a strike price of NOK 91.35 per share.

Total number of shares outstanding on 31 March 2024 was 100 million, including 260,635 treasury shares. Total number of shareholders was 8,663. Borregaard ASA's share price was NOK 189.20 at the end of the 1st quarter (NOK 171.40 at the end of 2023).

OTHER MATTERS AND SUBSEQUENT EVENTS

ANNUAL GENERAL MEETING

Borregaard ASA held its Annual General Meeting on 11 April 2024. The financial statements of Borregaard ASA and the Group, including the proposal to pay an ordinary dividend of NOK 3.75 per share, were approved. The dividend was paid out on 22 April 2024 with a total amount of NOK 374 million.

The Annual General Meeting re-elected Helge Aasen as the chair of the Board of Directors. Terje Andersen, Tove Andersen, Margrethe Hauge and John Arne Ulvan were re-elected as members of the Board. See notice to Oslo Stock Exchange on 11 April 2024.

ENVIRONMENTAL INVESTMENT

Borregaard will invest NOK 275 million to upgrade the electricity transformation capacity at the biorefinery in Norway. This infrastructure investment will facilitate delivery of long-term environmental goals and make headroom for future growth projects. The investment is expected to be completed in 2028. It is part of the environmental investment plan announced at the Capital Markets Day in September 2022.

CO₂ COMPENSATION

The Norwegian Government, labour organisations and industry associations have agreed on the CO₂ compensation scheme for the period 2024-2030. The agreed scheme has a maximum compensation amount which will be index regulated annually. The revised scheme is effective for compensation for 2023 paid out in 2024. An additional compensation for 2023 of NOK 5 million was recognised in the 1st quarter of 2024.

OUTLOOK

In BioSolutions, the diversified market strategy for lignin-based biopolymers is expected to mitigate effects of a slowdown in certain end-markets. In 2024, the total sales volume for BioSolutions is forecast to be approximately 330,000 tonnes, depending on the global economic development. The total sales volume in the 2nd quarter is expected to be in line with the 2nd quarter last year. The biovanillin market will continue to be impacted by the high supply of synthetic vanillin products.

For BioMaterials, the total sales volume is forecast to be higher than the production output. Sales volume of highly specialised grades is expected to be higher than in 2023. In the 2nd quarter, sales volume is expected to be lower than in the 1st quarter of 2024, but higher than the production output. Average price in sales currencies is expected at the same level as the 1st quarter. Development in the construction market for cellulose ethers is the main uncertainty for 2024. However, other applications are expected to largely compensate for a potential continued slowdown in the construction market.

Sales volume for fine chemical intermediates is expected to increase compared with 2023. In bioethanol, sales prices and

volume are expected to be largely in line with 2023. The market conditions for advanced biofuels continue to be favourable in several European countries. Bioethanol sales are expected to be mainly into these markets also in 2024.

Wood costs will increase approximately 10% in the 1st half of 2024 compared with the 2nd half of 2023. In the 2nd quarter of 2024, lower energy and other raw material costs are expected to compensate for the increased wood costs compared with the 2nd quarter of 2023. In the 1st half of 2024, Borregaard will gradually benefit from the investment to reduce CO₂ emissions, improve energy efficiency and increase flexibility to switch between alternative energy sources.

War and conflicts in Ukraine and the Middle East as well as uncertainty in the global economy may impact Borregaard's markets and costs. Borregaard will continue to closely monitor markets and costs development and implement relevant measures if required.

Sarpsborg, 23 April 2024

The Board of Directors of Borregaard ASA



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THE GROUP'S INTERIM CONDENSED INCOME STATEMENT

Amounts in NOK million	Note	1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Operating revenues	2	1,975	1,850	7,132
Operating expenses		-1,533	-1,415	-5,351
Depreciation property, plant and equipment		-133	-114	-485
Amortisation intangible assets		-1	-1	-5
Operating profit		308	320	1,291
Financial items, net	3	-47	-28	-167
Profit before taxes		261	292	1,124
Income tax expense	4	-61	-71	-268
Profit for the period		200	221	856
Profit attributable to non-controlling interests		-	-10	-14
Profit attributable to owners of the parent		200	231	870
EBITDA¹		442	435	1,781

INTERIM EARNINGS PER SHARE

Amounts in NOK		1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Earnings per share (100 mill. shares)	5	2.01	2.32	8.73
Diluted earnings per share	5	2.00	2.31	8.71

¹ Alternative performance measure, see page 20 for definition.

THE GROUP'S INTERIM CONDENSED COMPREHENSIVE INCOME STATEMENT

Amounts in NOK million	Note	1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Profit for the period		200	221	856
Items not to be reclassified to P&L		-	-	-
Actuarial gains and losses (after tax)		-	-	46
Total		-	-	46
Items to be reclassified to P&L		-	-	-
Change in hedging-reserve after tax (cash flow)	7	-259	-406	-129
Change in hedging-reserve after tax (net investment in subsidiaries)	7	-49	-47	-25
Translation effects		74	82	45
Total		-234	-371	-109
The Group's comprehensive income		-34	-150	793
Comprehensive income non-controlling interests		3	-7	-12
Comprehensive income owners of the parent		-37	-143	805

THE GROUP'S INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	31.3.2024	31.12.2023
Intangible assets	12	82	84
Property, plant and equipment	12	4,728	4,661
Right-of-use assets		524	527
Other assets	8	362	437
Investments in joint venture/associate companies	3	286	289
Non-current assets		5,982	5,998
Inventories		1,348	1,447
Receivables	8	1,753	1,201
Cash and cash deposits	10	200	469
Current assets		3,301	3,117
Total assets		9,283	9,115
Group equity	9	4,835	4,855
Non-controlling interests		42	39
Equity		4,877	4,894
Provisions and other liabilities		441	401
Interest-bearing liabilities	8, 10	2,043	2,016
Non-current liabilities		2,484	2,417
Interest-bearing liabilities	8, 10	330	246
Other current liabilities	8	1,592	1,558
Current liabilities		1,922	1,804
Equity and liabilities		9,283	9,115
Equity ratio ¹		52.5 %	53.7 %

¹ Alternative performance measure, see page 20 for definition.

INTERIM CONDENSED CHANGES IN EQUITY

Amounts in NOK million	Note	1.1 - 31.3.2024			1.1 - 31.12.2023		
		Controlling interests	Non-controlling interests	Total equity	Controlling interests	Non-controlling interests	Total equity
Equity 1 January		4,855	39	4,894	4,394	51	4,445
Profit/loss for the period		200	-	200	870	-14	856
Items in Comprehensive Income	7	-237	3	-234	-65	2	-63
The Group's Comprehensive income	7	-37	3	-34	805	-12	793
Paid dividend		-	-	-	-324	-	-324
Buy-back of treasury shares		-28	-	-28	-92	-	-92
Exercise of share options		14	-	14	32	-	32
Shares to employees		28	-	28	30	-	30
Option costs (share based payment)		3	-	3	10	-	10
Transactions with non-controlling interests		-	-	-	-	-	-
Equity at the end of the period		4,835	42	4,877	4,855	39	4,894

THE GROUP'S INTERIM CONDENSED CASH FLOW STATEMENT

Amounts in NOK million	Note	1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Profit before taxes		261	292	1,124
Amortisation, depreciation and impairment charges		134	115	490
Changes in net working capital, etc.		-466	-193	205
Dividend/share of profit from JV & associate companies	3	3	6	9
Taxes paid		-115	-109	-265
Cash flow from operating activities		-183	111	1,563
Investments in property, plant and equipment and intangible assets*		-115	-107	-667
Investment in associate companies and bio-based start-ups	3	-	-	-171
Other capital transactions		3	2	9
Cash flow from investing activities		-112	-105	-829
Dividends		-	-	-324
Proceeds from exercise of options/shares to employees	9	35	41	49
Buy-back of treasury shares	6	-28	-41	-92
Gain/(loss) on hedges for net investments in subsidiaries		-50	-58	-38
Net paid to/from shareholders		-43	-58	-405
Proceeds from interest-bearing liabilities	10	-	-	800
Repayment of interest-bearing liabilities	10	-67	-14	-843
Change in interest-bearing liabilities/other instruments	10	36	41	33
Change in net interest-bearing liabilities		-31	27	-10
Cash flow from financing activities		-74	-31	-415
Change in cash and cash equivalents		-369	-25	319

THE GROUP'S INTERIM CONDENSED CASH FLOW STATEMENT cont.

Amounts in NOK million	Note	1.1 - 31.3		1.1 - 31.12
		2024	2023	2023
Cash and cash equivalents at beginning of period		429	111	111
Change in cash and cash equivalents		-369	-25	319
Currency effects cash and cash equivalents		21	19	-1
Cash and cash equivalents at the close of the period	10	81	105	429

*Investment by category

Replacement investments		95	87	550
Expansion investments ¹ including investment in associate companies and bio-based start-ups		20	20	288
Total investments including investment in associate companies and bio-based start-ups		115	107	838

¹ Alternative performance measure, see page 20 for definition.

NOTES

NOTE 01 Organisation and basis for preparation

GENERAL INFORMATION

Borregaard ASA is incorporated and domiciled in Norway. The address of its registered office is Hjalmar Wessels vei 6, Sarpsborg.

Basis for preparation

These unaudited Interim Condensed Consolidated Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. Borregaard ASA is the parent company of the Borregaard Group presented in these Interim Condensed Consolidated Financial Statements.

The same accounting principles and methods of calculation have been applied as in the Consolidated Financial Statements for 2023 for the Borregaard Group.

Use of estimates

The same use of estimates has been applied as in the Consolidated Financial Statements for 2023.

NOTE 02 Segments

OPERATING REVENUES

Amounts in NOK million	1.1-31.3		1.1 - 31.12
	2024	2023	2023
Borregaard	1,975	1,850	7,132
BioSolutions	1,088	995	3,944
BioMaterials	704	684	2,439
Fine Chemicals	192	180	786
Eliminations	-9	-9	-37

There is limited intercompany sales between the different segments and eliminations consist essentially of allocations from the corporate headquarter.

¹ Alternative performance measure, see page 20 for definition.

EBITDA¹

Amounts in NOK million	1.1-31.3		1.1 - 31.12
	2024	2023	2023
Borregaard	442	435	1,781
BioSolutions	264	224	915
BioMaterials	111	127	534
Fine Chemicals	67	84	332
Reconciliation against operating profit & profit before tax			
EBITDA¹	442	435	1,781
Depreciations and write downs	-133	-114	-485
Amortisation intangible assets	-1	-1	-5
Other income and expenses ¹	-	-	-
Operating profit	308	320	1,291
Financial items, net	-47	-28	-167
Profit before taxes	261	292	1,124

SALES REVENUES

Amounts in NOK million	1.1-31.3		1.1 - 31.12
	2024	2023	2023
Borregaard	1,948	1,825	7,024
BioSolutions	1,066	973	3,849
BioMaterials	693	674	2,395
Fine Chemicals	189	178	780
Eliminations	-	-	-

Operating revenues consist of sales revenues and other revenues such as commissions, revenues from waste received for incineration etc.

NOTE 03 Financial items**NET FINANCIAL ITEMS**

Amounts in NOK million	1.1 - 31.3		1.1 - 31.12
	2024	2023	2023
Net interest expenses	-39	-29	-141
Currency gain/loss	-	6	-15
Share of profit/-loss from associates	-3	-2	-9
Other financial items, net	-5	-3	-2
Net financial items	-47	-28	-167

Borregaard holds 35% of the shares in Alginor ASA on a fully diluted basis and 12% of the shares in Kaffe Bueno ApS as of 31 March 2024.

Other financial items, net includes changes in committed return on the Group's unfunded pension plan.

NOTE 04 Income tax expense

The tax rate of 23.4% (24.3%) for the first three months of 2024 is a compilation of the tax rates in the various countries in which Borregaard operates and has taxable income. The corporate income tax rate in Norway is 22%.

In addition to the compilation of the tax rates in the various countries in which Borregaard operates and has taxable income, the income tax rate for the Group is also impacted by the following: LignoTech Florida is a limited liability company (LLC) which is taxed on the owners' hand. Profit before tax is 100% consolidated in

the Borregaard Group, whereas the tax expense is calculated based on Borregaard's 55% ownership. Consequently, profit attributable to non-controlling interests for LignoTech Florida (45%) is calculated on profit before tax. Share of profit after tax from the associated companies, Alginor ASA and Kaffe Bueno ApS, is accounted for as part of operating profit and profit before tax. There are carry forward losses in the Group which will not be recognised as deferred tax assets, and hence increase the Group's tax rate.

NOTE 05 Earnings Per Share (EPS)

The share capital consists of 100 million shares. The company holds 260,635 treasury shares. As of 31 March 2024, there are 99,880,360 diluted shares (99,753,4595 as of 31 December 2023).

Earnings per diluted share were NOK 2.00 in the 1st quarter (NOK 2.31 in the 1st quarter of 2023).

¹ Alternative performance measure, see page 20 for definition.

NOTE 06 Stock options

During the 1st quarter, 56,550 share options at a strike price of NOK 67.05 per share and 106,900 share options at a strike price of NOK 91.35 per share were exercised.

The Group Executive Management and other key employees hold a total of 1,300,000 stock options in five different share option programmes in Borregaard.

Stock options	Issued 2020	Issued 2021	Issued 2022	Issued 2023	Issued 2024
Number of stock options	230,000	249,000	200,000	250,000	371,000
Strike price (NOK)*	91.35	172.45	220.50	190.75	199.10
Vesting period	3 years	3 years	3 years	3 years	3 years
Expiry date	13 February 2025	16 February 2026	17 February 2027	1 March 2028	27 February 2029

* Strike prices as at 31 March 2024 have been adjusted for dividend paid since issuance of stock options.

NOTE 07 Statement of comprehensive income

The statement of comprehensive income shows changes in the value of hedging instruments, both cash flow hedges and hedges of net investments in subsidiaries (hedging reserve).

These figures are presented after tax.

Amounts in NOK million	31.3.2024		31.3.2023		31.12.2023	
	Cash flow hedges	Hedges of net investments in subsidiaries	Cash flow hedges	Hedges of net investments in subsidiaries	Cash flow hedges	Hedges of net investments in subsidiaries
Tax effect year-to-date	-142	-85	-147	-79	-69	-72
Hedging reserve after tax	-504	-270	-522	-243	-245	-221

NOTE 08 Fair value hierarchy

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

The following measurement levels are used for determining the fair value of financial instruments:

- Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
- Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
- Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

There were transfer of financial instruments from level 1 to level 2 from 2023 to the 1st quarter of 2024. Borregaard consequently has no items defined as level 1. The bond is determined as measurement level 3. The fair value of the bond is deemed to equal its book value.

Set out in the following table is a comparison of the carrying amount and the fair value of financial instruments as of 31 March 2024:

FINANCIAL ASSETS

Amounts in NOK million	Level	31.3.2024		31.12.2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial receivables	2	192	192	185	185
Non-current derivatives	2	8	8	93	93
Share investments	1	-	-	28	28
Share investments	2	28	28	-	-
Current derivatives	2	9	9	31	31
Total financial assets		237	237	337	337

FINANCIAL LIABILITIES

Non-current financial liabilities	2, 3	2,045	2,045	2,018	2,018
Non-current derivatives	2	283	283	176	176
Current financial liabilities	2	330	330	246	246
Current derivatives	2	391	391	255	255
Total financial liabilities		3,049	3,049	2,695	2,695

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Amounts in NOK million	Level 1	Level 2	Level 3
Financial instruments 31.3.2024	-2,812	-	-500
Financial instruments 31.12.2023	28	-1,886	-500

The financial instruments are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

NOTE 09 Compilation of Equity

Amounts in NOK million	31.3.2024	31.12.2023
Share capital	100	100
Treasury shares	-	-
Share premium	1,346	1,346
Other paid-in capital	998	953
Translation effects	322	251
Hedging reserve (after tax)	-774	-466
Actuarial gains/Losses	88	88
Retained earnings	2,755	2,583
Group equity (controlling interests)	4,835	4,855

As of 31 March 2024, the company held 260,635 treasury shares at an average cost of NOK 177.30.

NOTE 10 Net interest-bearing debt¹

The various elements of net interest-bearing debt are shown in the following table:

Amounts in NOK million	31.3.2024	31.12.2023
Non-current interest-bearing liabilities	2,043	2,016
Current interest-bearing liabilities including overdraft	330	246
Non-current interest-bearing receivables (included in "Other Assets")	-2	-2
Cash and cash deposits	-200	-469
Net interest-bearing debt¹	2,171	1,791
- of which impact of IFRS 16 Leases	564	563

¹ Alternative performance measure, see page 20 for definition.

NOTE 11 Related parties

The members of the Group Executive Management of Borregaard held a total of 607,000 stock options in the Company as of 31 March 2024.

NOTE 13 Other matters and subsequent events**Environmental investment**

Borregaard will invest NOK 275 million to upgrade the electricity transformation capacity at the biorefinery in Norway. This infrastructure investment will facilitate delivery of long-term environmental goals and make headroom for future growth projects. The investment is expected to be completed in 2028. It is part of the environmental investment plan announced at the Capital Markets Day in September 2022.

There have been no events after the balance sheet date that would have had a material impact on the financial statements, or the assessments carried out.

NOTE 12 Assessments relating to impairment

No impairment indicators have been identified in the Borregaard Group's property, plant and equipment or intangible assets in the 1st quarter of 2024.

CO₂ compensation

The Norwegian Government, labour organisations and industry associations have agreed on the CO₂ compensation scheme for the period 2024-2030. The agreed scheme has a maximum compensation amount which will be index regulated annually. The revised scheme is effective for compensation for 2023 paid out in 2024. An additional compensation for 2023 of NOK 5 million was recognised in the 1st quarter of 2024.

ALTERNATIVE PERFORMANCE MEASURES

In the discussion of the reported operating results, financial position and cash flows, Borregaard refers to certain measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. Borregaard management makes regular use of these Alternative Performance Measures and is of the opinion that this information, along with comparable GAAP

measures, is useful to investors who wish to evaluate the company's operating performance, ability to repay debt and capability to pursue new business opportunities. Such Alternative Performance Measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.



EBITDA

Description

EBITDA is defined by Borregaard as operating profit before depreciation, amortisation and other income and expenses.

Reason for including

Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.

EBITDA	1.1 - 31.3		1.1 - 31.12
	2024	2023	2023
Operating profit	308	320	1,291
Other income and expenses	-	-	-
Amortisation intangible assets	1	1	5
Depreciation and impairment property, plant and equipment	133	114	485
EBITDA	442	435	1,781

EBITDA MARGIN

Description

EBITDA margin is defined by Borregaard as EBITDA divided by operating revenues.

Reason for including

Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue.

EBITDA MARGIN	1.1 - 31.3		1.1 - 31.12
	2024	2023	2023
EBITDA	442	435	1,781
Operating revenues	1,975	1,850	7,132
EBITDA margin (%) (EBITDA/operating revenues)	22.4	23.5	25.0

EQUITY RATIO

Description

Equity ratio is defined by Borregaard as equity (including non-controlling interests) divided by equity and liabilities.

Reason for including

Equity ratio is an important measure in describing the capital structure.

EQUITY RATIO	31.3.2024	31.3.2023	31.12.2023
Total equity	4,877	4,304	4,894
Equity & liabilities	9,283	8,371	9,115
Equity ratio (%) (total equity/equity & liabilities)	52.5	51.4	53.7

EXPANSION INVESTMENTS

Description

Borregaard's investments are either categorised as replacement or expansion. Expansion investments is defined by Borregaard as investments made in order to expand production capacity, produce new products or to improve the performance of existing products. Such investments include business acquisitions, investments in bio-based start-ups, pilot plants, capitalised research and development costs and new distribution set-ups.

Reason for including

Borregaard's strategic priorities are specialisation and diversification, increase value added from the biorefinery, develop business areas and to continue emphasis on ESG along the entire value chain. To be able to deliver on those priorities, expansion investments are needed. As such, expansion investments are important information for investors. One of Borregaard's financial objectives is to have an internal rate of return >15% pre-tax for expansion investments.

	2024	1.1 - 31.3 2023	1.1 - 31.12 2023
EXPANSION INVESTMENTS			
Total investments including investment in associate companies and bio-based start-ups	115	107	838
Replacement investments	(95)	(87)	(550)
Expansion investments including investment in associate companies and bio-based start-ups	20	20	288

OTHER INCOME AND EXPENSES

Description

Other income and expenses are defined by Borregaard as non-recurring items or items related to other periods or to a discontinued business or activity. These items are not viewed as reliable indicators of future earnings based on the business areas' normal operations. These items will be included in the Group's operating profit.

Reason for including

To be able to compare the EBITDA of different reporting periods, significant non-recurring items not directly related to operating activities, are included in Other income and expenses.

	2024	1.1 - 31.3 2023	1.1 - 31.12 2023
OTHER INCOME & EXPENCES			
Other income & expences	-	-	-

NET INTEREST-BEARING DEBT

Description	Reason for including	NET INTEREST-BEARING DEBT	31.3.2024	31.3.2023	31.12.2023
Net interest-bearing debt is defined by Borregaard as interest-bearing liabilities minus interest-bearing assets.	Net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the statement of financial position. Net interest-bearing debt is part of Borregaard's financial covenants (leverage ratio) and is important in understanding the capital structure.	Non-current interest-bearing liabilities	2,043	1,490	2,016
		Current interest-bearing liabilities including overdraft of cashpool	330	657	246
		Non-current interest-bearing receivables (included in "Other assets")	-2	-2	-2
		Cash and cash deposits	-200	-217	-469
		Net interest-bearing debt	2,171	1,928	1,791

LEVERAGE RATIO

Description	Reason for including	LEVERAGE RATIO	31.3.2024	31.3.2023	31.12.2023
Leverage ratio is defined by Borregaard as net interest bearing debt divided by last twelve months' (LTM) EBITDA.	Leverage ratio is an indicator of the overall strength of the statement of financial position. Borregaard has a targeted leverage ratio between 1.0 and 2.25 over time. Leverage ratio is Borregaard's financial covenant on long-term credit facilities.	Net interest-bearing debt	2,171	1,928	1,791
		EBITDA	1,788	1,678	1,781
		Leverage ratio (net interest-bearing debt/EBITDA)	1.21	1.15	1.01

CAPITAL EMPLOYED

Description	Reason for including	CAPITAL EMPLOYED (END OF PERIOD)	31.3.2024	31.3.2023	31.12.2023
Capital employed is defined by Borregaard as the total of net working capital, intangible assets, property, plant and equipment, right-of-use assets minus net pension liabilities.	Borregaard uses capital employed as basis for calculating ROCE.	Capital employed (end of period)	7,789	7,142	7,142

RETURN ON CAPITAL EMPLOYED (ROCE)

Description

Return on capital employed (ROCE) is defined by Borregaard as last twelve months' (LTM) capital contribution (operating profit before amortisation and other income and expenses) divided by average capital employed based on the ending balance of the last five quarters.

Reason for including

ROCE is an important financial ratio to assess Borregaard's profitability and capital efficiency. One of Borregaard's financial objectives is to have ROCE >15% pre-tax over a business cycle.

RETURN ON CAPITAL EMPLOYED (ROCE)	31.3.2024	31.3.2023	31.12.2023
Capital employed end of:			
Q1, 2022	-	6,421	-
Q2, 2022	-	6,779	-
Q3, 2022	-	7,015	-
Q4, 2022	-	6,802	6,802
Q1, 2023	7,142	7,142	7,142
Q2, 2023	7,216	-	7,216
Q3, 2023	7,191	-	7,191
Q4, 2023	7,142	-	7,142
Q1, 2024	7,789	-	-
Average capital employed	7,296	6,832	7,099
CAPITAL CONTRIBUTION	31.3.2024	31.3.2023	31.12.2023
Operating profit	1,279	1,215	1,291
Other income and expenses	-	8	-
Amortisation intangible assets	5	5	5
Capital contribution	1,284	1,228	1,296
RETURN ON CAPITAL EMPLOYED (ROCE)	31.3.2024	31.3.2023	31.12.2023
Capital contribution	1,284	1,228	1,296
Average capital employed	7,296	6,832	7,099
Return on capital employed (ROCE) (%) (capital contribution/average capital employed)	17.6	18.0	18.3



Q1 2024



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